



Montana Department of
LABOR & INDUSTRY
Commissioner's Office

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For Immediate Release:

UNEMPLOYMENT RATE AT 5.7%

(HELENA) --- Montana's unemployment rate increased slightly by 0.1 percentage points to 5.7% in January, hitting the same level as November 2012 after a slightly lower rate of 5.6% in December. Montana's unemployment rate has been on a downward trend since the end of 2010. The national rate also increased in January by 0.1 percentage points to 7.9%.

"Montana's economy has made strong job gains over the last two years, gaining back most of the jobs lost during the recession and adding wages for Montana's workers," said Labor Commissioner Pam Bucy. "The pull-back in federal funding and the expiration of the payroll tax break are expected to slow growth in the next few months, but I am confident that our economy will continue to move forward and add jobs throughout the next year."

Both the payroll employment estimates and the total employment estimates (which includes payroll workers, the self-employed, and agricultural workers) posted small employment decreases from December to January of 500 jobs and 800 jobs respectively. Continued job losses in the public sector offset gains in the health services industry. However, over the year job gains in both data series show strong employment growth of about 1.6%, or about 8,000 jobs.

Every February, the Montana Department of Labor and Industry (DLI) and the Bureau of Labor Statistics (BLS) recalculate the employment estimates for past years in a process called benchmarking. The benchmarking process makes employment estimates more accurate, in addition to smoothing the data series and calibrating the data to new population estimates. Benchmarked data indicates that Montana's economy lost more jobs during the recession than first estimated, but the recovery since 2010 has been stronger than first thought. Revisions also reduced Montana's unemployment rates during the recession. Montana's unemployment rate hit a recession high of 6.8% in the last half of 2010 (compared to the initial estimates of 7%), and has since decreased to 5.7%. The highest historic unemployment rate for Montana was 8.8% in 1983.

The Consumer Price Index for All Urban Consumers (CPI-U) was unchanged for January, with prices falling over the last three months. Core inflation, measured by the all items less food and energy index, rose by 0.3 percentage points over the month, but was offset by declining gasoline prices.

*** Unemployment figures are seasonally-adjusted. Seasonally-adjusted numbers remove the effects of events that follow a more or less regular month-to-month pattern each year. These adjustments make nonseasonal patterns easier to identify. The margin of error for the unemployment rate is plus or minus 0.8 percentage points at the 90 percent confidence level. All questions relating to the calculation of unemployment rates should be directed to the Montana Department of Labor and Industry's Research and Analysis Bureau at 1-800-541-3904.*

MEDIA ADVISORY: During February, the Bureau of Labor Statistics and the Montana Department of Labor and Industry completed the annual benchmarking process, which updated all unemployment rates and employment data for all Montana areas. Historic data files should be updated with new estimates. Because of the benchmarking process, the Labor Situation Reports for January and February were later than usual. The February report will be issued on March 29, 2013. In April, the Labor Situation Reports will resume the normal release schedule on the third Friday of every month.

******* INFORMATION AVAILABLE ON THE INTERNET *******



Visit our website at www.ourfactsyourfuture.org for additional information and analysis, including answers to questions about the unemployment rate, industry employment levels, and annual employment data for Montana's Indian Reservations. **This month's Economy at a Glance article provides information on solving workforce shortages in the health care industry.** County labor force information can be found by using this link:

<http://www.ourfactsyourfuture.org/cgi/databrowsing/?PAGEID=4&SUBID=205>